



PUBLIC EXPENDITURE AND SCHOOL EDUCATION IN INDIA: WITH SPECIAL REFERENCE TO JHARKHAND

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ABSTRACT

Public expenditure provides resources for the universalisation of school education. The role of government is more important in developing and under developed countries; where the inequalities of income and other socio-economic problems persist. The paper highlights that the goal of free, compulsory, universal and quality based school education could become a reality only if there is a joint dedication between the central and state governments to investment in elementary education which contributes massive benefits to existing generation and upcoming generations. Many studies suggest that investing in education include the socio-economic returns, decline in acute poverty and exclusion of inequalities, fertility rates, demographic and health indicators; political and economic stability; dynamic positive externalities connected with public expenditure on education and better quality of life for everyone.

KEYWORDS: Public Expenditure, School Education.

INTRODUCTION:

School education is the most important, necessary and crucial factor for sustainable education, growth and prosperity of any nation. Development economists and policy makers have defined education as traditional, important, crucial and required factor of Social Sector Development. As it is known to all that education has an intrinsic value for the overall development of the community along with whole nation and it also helps in the attainment of a better social order, equality, higher rate of functional literacy and enables persons to make better use of available economic resources, opportunities and skills. As far as school education is concerned it is not only a service but a vital and important resource; essential for the economy as well as all for sustainable development. The major demographic or economic indicators of development such as growth rate of economy, birth rate, death rate, infant mortality rate and literacy rates, all are inter connected to basic school education. "Sustainable Development Goal (SDG) - 4 seeks 'to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all' by 2030."^[1]

After introduction of National Policy on Education (NPE), 1986 the public expenditure on education has increased both by central and state governments; however the momentum of expenditure, particularly plan expenditure, could not be continued after that and nominal increase can be noticed in public expenditure.^[2]

The Centrally Sponsored Scheme- Sarva Shiksha Abhiyan which was effective till 2017-18, was the main scheme to meet the objectives of the RTE Act in elementary schools and assistance to all State Governments and UTs for universalization of elementary education. After the launch of an Integrated Scheme for School Education - Samagra Shiksha with effect from 2018-19 by the Department of School Education and Literacy all three Centrally Sponsored Schemes of Sarva Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan (RMSA) and Teacher Education (TE) have been merged in one scheme. The new integrated scheme provides school education from pre-school to senior secondary level and aims to make sure inclusive and equitable quality education for all. Under Samagra Shiksha, States and UTs are financially supported for amplification of existing government schools, and for creation and augmentation of infrastructure facilities based on proposals received from respective States/UTs.^[3]

Public expenditure on education is also known as investment in education and it contributes massive benefits to all sections of society not only for current generation but for future generation also. The present study highlights the public expenditure pattern on school education because the trends of public expenditure on school education are an important tool to know the priorities of both the central and state governments. It also explains and focuses of the governments initiatives towards the achievements of the universalisation of elementary education across the country.

The paper highlights the major indicators related to public expenditure (Public expenditure by government of India and government of Jharkhand) on school education like- Public Expenditure as percentage of GDP, Total Budgetary Allocation of Central and State government of Jharkhand, Expenditure on major schemes.

OBJECTIVES OF THE STUDY:

The objectives of the study are as follows:

- I. To study the trends of public expenditure of government of India towards school education for all.
- II. To highlight the financial provision for school education under recent union budgets.
- III. To examine the allocation of Jharkhand government for school education.
- IV. To focus on the expenditure trends of neighboring states of Jharkhand.

METHOD:

The present study is based on the analysis of secondary data collected from various central and state governments documents like- Union Budget Documents, State Governments Budget Documents, Economic Surveys of Central and states governments. To examine the trends of public expenditure on school education financing terms of GDP, GSDP, Budgetary Provisions and others indicators have been used.

Trends of Public Expenditure on School Education as % of GDP:

The Education Policy-2020 emphasis to significantly increase educational investment, as there is no better investment towards a society's future than the high-quality education of our young people. Public expenditure on education has not yet even come close to the recommended level of 6% of GDP, as recommended by the education policy of 1968. As per the Analysis of Budgeted Expenditure 2017-18 the current public expenditure including Centre and States on education in India has hovered around 4.43% of GDP; and only around 10% of the total Government spending goes towards education. The current expenditure pattern is far smaller than most developed and developing countries. In order to achieve the goal of world-class education in India, and to spread the benefits of education the new policy supports to increase public investment in education by both the Central and all State Governments to reach the level of 6% of GDP at the earliest, and reach 20% of all public expenditure over a 10-year period.^[4]

Table 1: Trends of Public Expenditure on School Education

Year	Expenditure as %GDP
2011-12	2.7
2012-13	2.7
2013-14	2.5
2014-15	2.8
2015-16	3.1
2016-17	3.3
2017-18	3.4
2018-19 RE	3.0
2019-20BE	3.1

Source: Analysis of Budgeted Expenditure on Education 2011-12 to 2017-18 & Union Budget Documents.

It is clear that expenditure trends from 2011-12 to 2019-20 is showing increase

from 2.7% to 3.1% in 2019-20. 2017-18 is showing the highest allocation of 3.4 % of GDP on elementary education including states and Uts.

Distribution of Public Expenditure on School Education:

Level/Class wise distribution of government expenditure on school education throws light on the year wise changes of the budgetary allocation as percent of GDP on elementary education and secondary education, which is presented by the following table.

Table 2: Public Expenditure on Levels of School Education as % of GDP

Years	Elementary Education			Secondary Education		
	States/Uts	Centre	Total	States/Uts	Centre	Total
2015-16	1.48	0.44	1.92	0.90	0.13	1.04
2016-17	1.48	0.38	1.86	0.95	0.12	1.07
2017-18	1.53	0.37	1.90	0.95	0.13	1.08

Source: Analysis of Budgeted Expenditure on Education, 2015-16 to 2017-18

Table 2 presents the recent trends of public expenditure on school education with the classification of elementary education and secondary education separately as percentage of GDP including states/UTs and Central government share. The table clears the trends of public expenditure towards elementary education and secondary education in India from 2015-16 to 2017-18. During 2015-16 to 2017-18 the public expenditure is showing constant increase with 1.90 % at elementary level and 1.08% at secondary level.

Recent Trends of Budgetary Allocation to School Education:

Under this section paper deals with the recent budgetary allocation to Department of School Education and Literacy by the central government of India.

Table 3: Recent Budgetary Allocations to School Education

S.N.	Years	Allocation (in Cr.)
I	2018-19 (Actuals)	48440.57
II	2019-20 (BE)	56586.63
II	2019-20 (RE)	56536.63
IV	2020-21 (BE)	59845.00

Source: Expenditure Budget 2020-21, Govt. of India

It is evident from the table 3 that the central government is giving priority to school education to achieve the target of quality education and to reduce the scarcity of funds as the total allocation which was Rs. 48440.57 Cr. (2018-19) have increased to the level of Rs.59845.00 Cr. in 2020-21.

Sector-Wise Expenditure on Education by Education Department:

Sector wise distribution of public expenditure includes expenditure on Elementary Education, Secondary Education, Adult Education, University/DL/Scholarship, language Development and General education. Among this classification elementary education is getting approximately 49% of total share to education while secondary education is allocated 31% of total allocation to education sector in India. (Table:4)

Table 4: Sector-wise Expenditure to Total Expenditure (in %)

S.N.	Years	Elementary Education	Secondary Education
I	2015-16 (Actual)	49.62	31.08
II	2016-17(RE)	48.79	32.12
III	2017-18 (BE)	48.87	31.16

Source: Expenditure Budget 2020-21, Govt. of India

Interstate Trends of the Public Expenditure on School Education:

As per the objectives of the paper an attempt has been made to highlight the expenditure trends on elementary education as part of school education in all the neighboring states of Jharkhand.

Budgeting Trends of School Education as Percentage of GSDP:

Public Expenditure as percentage of GSDP (Gross State Domestic Product) is a key parameter for understanding any state government priorities towards the education for all. Under this part of the analysis an attempt has been done to study; how neighboring states of Jharkhand have provisioned budgetary resources for school education.

Table 5: State-Wise trends of Public Expenditure on School Education as % of GSDP

Years	States					
	Bihar	Chhattisgarh	Jharkhand	Odisha	Uttar Pradesh	West Bengal
2012-13	5.5	4.5	3.1	3.3	4.9	3.0
2013-14	4.7	4.3	2.5	3.3	4.6	2.5
2014-15	6.2	4.9	3.5	3.3	4.1	2.1
2015-16	5.6	4.6	3.6	3.9	5.0	2.3
Average	5.5	4.6	3.2	3.5	4.7	2.5

Source: Selected State budget documents

It is apparent from the examination of the table 5 that among the neighboring states Bihar is holding first rank in 2015-16 with 5.6% of expenditure on school education as percentage of GSDP. On the other hand West Bengal is lowest with 2.3% and Jharkhand (3.6%) is just one step ahead to West Bengal. A slight decline can be analyzed in the year 2013-14 in all the states. As far as Jharkhand is concerned it's expenditure in last four years is moving with an average of 3.2% of state's GSDP. The budgetary spending / allocation for school education as percent of GSDP are one of main causes of the socio-economic problems of these states.^[5]

Allocation to School Education in Total Budget of the States:

Another factor which is always be used for the comparison of the trends of public expenditure is parentage of share to total budgetary allocation. Share of school education to total budget all five neighboring states of Jharkhand is explained in the table-6.

Table 6: Share of School Budget in Total Budgeting

Years	States					
	Bihar	Chhattisgarh	Jharkhand	Odisha	Uttar Pradesh	West Bengal
2012-13	23.5	22.1	15.5	17.6	22.1	18.7
2013-14	20.2	20.4	14.1	15.9	19.6	16.4
2014-15	18.1	18.9	15.9	13.2	15.3	13.3
2015-16	17.7	17.0	19.9	15.3	17.2	15.8

Source: Selected State budget documents.

From the perusal of Table-6 it is clear that all the state governments are giving priority to school education as on an average 17% of total allocation is going to school education. Table also reveals that the educationally backward state of Bihar was allocating 23.5% in 2012-13 which has come down to 17.7% in 2015-16 while the Jharkhand expenditure on school education has increased from 15.5% to 19.9% during the same periods. One more significant indication can also be observed that in all states the public expenditure share of school education is declining from 2012-13 to 2015-16.

Trends of Allocation to the Department of School Education and Literacy:

This section of the paper examine the recent trends of public expenditure of central government on various schemes and heads of expenditure on school education including- Central Sector Schemes/Projects, Centrally Sponsored Schemes, Establishment Expenditure of the Centre, Other Central Sector Expenditure and Total allocation to the Department of School Education and Literacy.

Under the classification of program budgeting the budgets are allocated to different schemes/programmes and heads. Central Sector Schemes/Projects of Department of School Education and Literacy include- Digital India e-learning, National Award to Teachers, National Means cum Merit Scholarship Scheme, Support from Gross Budgetary Support, Support from Madhyamik and Uchhatar Shiksha Kosh, Total- National Means cum Merit Scholarship Scheme, National Scheme for Incentive to Girl Child for Secondary Education, Support from Gross Budgetary Support (GBS), Support from Madhyamik and Uchhatar Shiksha Kosh, Total- National Scheme for Incentive to Girl Child for Secondary Education, Operation Digital Board (ODB) and Pradhan Mantri Innovative Learning Programme (DHRUV). Centrally Sponsored Schemes include- National Education Mission- Samagra Shiksha, Sarva Shiksha Abhiyan, Rashtriya Madhyamik Shiksha Abhiyan, Teachers Training and Adult Education, National Programme of Mid Day Meal in Schools, Umbrella Programme for Development of Minorities.

Table 7: Details Trends of Public Expenditure on School Education in India

Schemes/Heads	Allocation (in Cr.)			
	2018-2019(Actuals)	2019-2020 (BE)	2019-2020(RE)	2020-2021(BE)
Central Sector Schemes/Projects	484.50	471.20	424.21	519.50
Centrally Sponsored Schemes	39346.55	47567.40	46324.51	50080.50
Establishment Expenditure of the Centre	27.58	32.90	33.70	40.00
Other Central Sector Expenditure	8588.04	8465.13	9754.1	9205.05
Total to DSEL	48440.57	56536.63	56536.63	59845.00

Source: Expenditure Profile 2020-2021, Union Budget 2020-21 Govt. of India

From the perusal of the table 7 it is calculated that the total allocation to school education and literacy is showing 23.54% increase from 2018-19 (Rs. 48440.57 Cr.) to 2020-21 (Rs. 59845.00). After the initiation of National Education Mission focusing on Samagra Shiksha the allocation to Centrally Sponsored Schemes have been reporting higher allocation with the increase of 27.28% from 2018-19 to 2020-21. The public expenditure on other central sector expenditure has also increased from Rs. 8588.04 Cr. to Rs. 9205.05 Cr. with the increase of 7.18% during the same period.

CONCLUSION:

This present study reaffirms that the goal of free, compulsory, universal and quality based elementary education and the objectives of National Education Policy 2020 could become a reality only if there is a joint commitment between the both the Central and state governments. On the basis of the above study it is also clear that the neighboring states of Jharkhand have pay more attention on the allocation to school education to their state's budget and linkages of budget to achieve the targets of National Education Mission. Education sector requires more finance as recommended by many committees and reports that it should be 6% of GDP.

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